

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

WALTER BECK CORPORATION d/b/a  
THE RAINBOW INN,

Plaintiff,

VS.

SAFECO CORPORATION, AMERICAN  
ECONOMY INSURANCE COMPANY, and  
AMERICAN STATES INSURANCE  
COMPANY,

Defendants.

CIVIL DIVISION

Civil Action No. 04-348 - Erie

JUDGE MAURICE B. COHILL, JR.

**ELECTRONICALLY FILED**

**AFFIDAVIT OF HAROLD T. BECK**

STATE OF FLORIDA

**COUNTY OF SUMTER**

) SS:

Before me, a Notary Public, personally appeared Harold T. Beck, who being duly sworn, deposes and says as follows:

1. My name is Harold T. Beck, an adult individual presently residing in the State of Florida. I state that the facts contained in the within Affidavit are based upon my own knowledge and personal information.

2. Walter Beck Corporation operated under the Pennsylvania registered fictitious name of “The Rainbow Inn” and owns and operated a restaurant known as The Rainbow Inn located at Route 59, Marshburg, McKean County, Pennsylvania 16735 (“The Rainbow Inn”).

3. My wife, Sharyn Beck, is and at all relevant times has been the sole officer and shareholder of Walter Beck Corporation. I owned the building that housed The Rainbow Inn and own the real property upon which said building was formerly situated. I leased this space to Walter Beck Corporation.

4. For and in consideration of a premium paid by Walter Beck Corporation, an "Ultra Series Package Policy" to Beck numbered 02CC771900 and providing coverage for the period of April 23, 2003 to April 23, 2004 ("Policy") was issued to Walter Beck Corporation insuring The Rainbow Inn and its contents.

5. I assisted my wife with The Rainbow Inn by tending bar, cooking, cleaning, doing maintenance and repairs.

6. I previously owned and operated a company that installed U.L. listed fire suppression and burglar/fire alarm systems in residential and commercial structures, so I am very familiar with such systems, their requirements, similarities, and differences, and how they operate.

7. I selected and assisted in installing the Halon fire suppression and burglar/fire alarm systems installed at The Rainbow Inn in or about 1990.

8. At various times, certain components of and wiring in the Rainbow Inn's Halon system were replaced due to lightning strikes, changes in technology, and other reasons, but at all times fully functioning fire suppression and burglar/fire alarm systems were in place at The Rainbow Inn.

9. The Rainbow Inn ceased operations due to the December 5, 2003 fire ("the Fire"), which resulted in a total loss of the premises and its contents.

10. I do not know who or what caused the Fire. I do know that several investigations by government authorities failed to determine the cause of the Fire.

11. The Fire completely destroyed The Rainbow Inn and its contents such that it could not be repaired and its contents could not be salvaged.

12. The fire suppression system remained intact and operational until The Rainbow Inn was burned in the Fire.

13. In fact, I accompanied Robert J. Beck of R.J. Beck Protective Systems when he last inspected the fire suppression system installed at The Rainbow Inn on November 24 through November 26, 2003 at which time he and I both found it to be in good working order.

14. I have read Robert J. Beck's February 20, 2005 letter directed to Joshua R. Lorenz of the law firm of Meyer, Unkovic & Scott LLP, which is attached hereto as Exhibit "A" and incorporated by reference as though the same were fully set forth at length herein, and I agree with the statements contained therein, which are true and correct based upon my own personal knowledge. To my knowledge, no representative of the insurer has ever contacted Robert J. Beck regarding his letter, the Fire or any other matter relating to this case. Similarly, to my knowledge, no representative of the insurer has ever contacted any employee of The Rainbow Inn regarding the Fire or any other matter relating to this case.

15. The kitchen area where the fire suppression system was installed was the last area to burn in the Fire, indicating that the fire suppression system was fully operational at that time.

16. On the date of the Fire, my wife, Sharyn Beck, had a heart attack.

17. While my wife was recuperating from her heart attack, I assisted her and Walter Beck Corporation in communicating with the insurer regarding the losses incurred due to the Fire.

18. With my assistance, Walter Beck Corporation promptly and repeatedly demanded that the insurer comply with its contractual obligations to pay it for its losses suffered as a result of the Fire in accordance with the terms of the Policy. Though attempts to transmit earlier by e-mail were allegedly unsuccessful according to Paul Smith, on no later than January 3, 2004, I sent a letter on behalf of Walter Beck Corporation, as requested by the insurer, to the insurer setting forth an inventory of the contents of The Rainbow Inn lost in the fire, which letter was received by the insurer. A true and correct copy of my 1/3/2004 Letter to Paul Smith of the insurer with "Inventory," "Liquor Inventory," and "Food and Beer Inventory" is attached hereto as Exhibit "B" and made a part hereof and incorporated by reference as though the same were fully set forth at length herein.

19. More than one month after receipt of the 1/3/2004 Letter and accompanying "Inventory," "Liquor Inventory," and "Food and Beer Inventory," the insurer denied coverage for the losses associated with the Fire by letter dated February 11, 2004 ("Denial Letter").

20. The insurer denied coverage to Walter Beck Corporation based upon the erroneous language contained in the Denial Letter as follows:

Based upon the fact that your restaurant facility did not have the required fire suppression system we will be unable to cover your fire loss of December 5<sup>th</sup> 2003. You are required to not only have but maintain a fire suppressions [sic] system. The cp-7586 6/93 form requires you have and maintain this system on a Quarterly basis. You indicated to me this was removed in 1996 or 1997 and never replaced. Please refer to the policy language below:

"P-8" Commercial Cooking Protection – A U.L. listed automatic fire suppression system installed for the protection of cooking appliances. The suppression system must be serviced independent contractor on a Quarterly basis. The ventilating system, including plenums, exhaust ducts, roof vent and hood over

cooking appliances must be cleaned by an independent contractor on a Quarterly basis.

21. The above-referenced language in the Denial Letter is erroneous on several counts. To begin, and as I stated previously, The Rainbow Inn did in fact have a fully-functioning U.L. listed fire suppression system in place at the time of the Fire. Second, at no time did I ever indicate to Paul Smith, the insurer, or anyone else, nor is it true, that the fire suppression system at The Rainbow Inn was removed in 1996 or 1997 and never replaced. At all times, The Rainbow Inn had a fully-functioning U.L. listed fire suppression system in place.

22. Upon being questioned about the fire suppression system, I may have told Paul Smith that The Rainbow Inn did not have an "Ansul" brand system installed, which was a true and accurate statement. The system in place was not an "Ansul" system, but was a Halon based system.

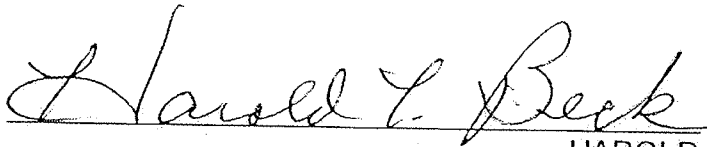
23. Thereafter, on no less than six separate occasions, I communicated in writing on behalf of my wife and Walter Beck Corporation with the insurer in attempts to eliminate the confusion and misunderstandings on the part of Paul Smith and the insurer. True and correct copies of my 2/21/2004 Letter to Paul Smith; 3/24/2004 Letter to Paul Smith; 4/28/2004 Letter to Paul Smith; 6/2/2004 Letter to Paul Smith; 6/10/2004 Letter to Paul Smith; and 7/5/2004 Letter to Paul Smith are attached hereto as Exhibits "C" through "H," respectively, made a part hereof and incorporated by reference as though the same were fully set forth at length herein.

24. The above efforts to resolve Paul Smith's and the insurer's confusion and misunderstandings were not successful, and the Walter Beck Corporation was forced to seek the assistance of legal counsel.

25. I state that if called to testify under oath in the above-captioned matter, I would testify to the facts and opinions set forth in the within Affidavit.

26. The facts set forth herein are true and correct of my own knowledge and personal information.

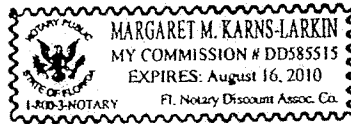
Nothing sayeth the Affiant further.



HAROLD T. BECK

Sworn and subscribed to  
before me this 5 day of  
December, 2006.

  
Notary Public



## R.J. Beck Protective Systems Inc.

February 20, 2005

P.O. BOX 814 • NORWALK, OHIO 44857 • (419) 668-3056

Mr. Joshua R. Lorenz  
Meyer, Unkovic & Scott LLP  
1300 Oliver Building  
Pittsburgh, PA 15222-2304

Dear Mr. Lorenz:

At the request of my sister-in-law, Sharyn Beck, I am writing to you to give you the details of the Halon Fire Suppression System in the Rainbow Inn, Marshburg, PA 16738.

To the best of my recollection the system was installed when the Rainbow Inn was remodeled into a restaurant and bar in 1990. My brother, Harold (also known as Bud), purchased the components of the fire suppression system for the kitchen including control panel, tanks, associated hardware, wiring, and rotating nozzle heads through me and I had them dropped shipped at his home in Marshburg. I supplied him with all the components of a UL listed system. At the same time I also supplied him with a fire and burglar alarm system for the bar and restaurant itself. My brother, a qualified burglar and fire alarm system installer, installed these systems himself. These systems were operational from the time the Rainbow Inn opened for business in the spring of 1990.

While the systems (Fire Suppression and Burglar/Fire Alarm) remained in tact and operational from that day on, there were times various components and at times, even entire systems including wiring were replaced. From about 1996 on I was directly involved as an advisor and inspection certifier of the systems while my brother, Bud, performed routine maintenance verifying they were operational. Because of damage due to lightning strikes and changes in technology changes were made as necessary. That included the tanks themselves that were replaced at least twice, the most recent time in 2001.

I made several trips a year to Marshburg. I would visit him around his birthday (June 14<sup>th</sup>) and again at Thanksgiving. There were also other times when business took me to the area I would drop in and say hello. On each and every occasion I took the liberty of inspecting the systems and verifying they were operational. Such was the case on November 24, 25, & 26, 2004. During that trip I took extra time to verify the systems were operational.

I did so because there had been several attempts to break into the Rainbow Inn and my sister-in-law was worried that the system, burglar alarm in particular, could be compromised.

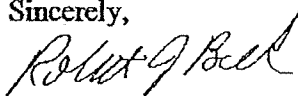
I took extra care to verify each door contact was operational and all electrical systems, including back up battery systems were at peak performance. I also took the time to verify the Halon Fire Suppression System was operational. Keep in mind this was a supervised system that could detect any trouble on the system and would indicate so with a trouble light on the control panel. When I inspected the system there was no trouble and the green ready light was on indicating the system was operational. I verified the two detector heads in the kitchen were clean and had no reason to believe the system was not able to function if it needed to do so.

I have been in the security business since 1980 and have installed and inspected hundreds of systems similar to the ones installed in the Rainbow Inn. These were not unique. The only thing that distinguished it from others was my brother's penchant for using Halon, a very effective and clean extinguishing agent.

I am prepared to travel to testify on behalf of my sister-in-law if necessary. The fire suppression system at the Rainbow Inn was operational the week immediately before the fire. I gave her a written certification that both the Burglar/Fire Alarm System and the Fire Suppression System were operational at the time. I did this as a courtesy to her but did not retain a copy for my records. At the time I saw no reason to.

If you require more detailed information please feel free to contact me. I travel quite a bit but if you leave a message I will respond as soon as I can.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Beck". The signature is fluid and cursive, with the first name "Robert" and last name "Beck" clearly distinguishable.

Robert J. Beck  
President, RJ Beck Protective Systems, Inc.



January 3, 2004

Mr. Paul Smith, Jr.  
Safeco Insurance Co  
P.O. Box 5373  
Poland, Ohio 44514

Re: Claim Number 521474522015

Dear Mr. Smith:

I am unclear as to why you have not received our emails as you requested. However, in an effort to expedite this claim I am attaching the information regarding the contents to you with this letter.

You will find the following:

1. Rainbow Inn Inventory totaling \$79,957.50
2. Rainbow Inn Food and Beer Inventory totaling \$3,812.91
3. Rainbow Inn Liquor Inventory totaling \$2,380.56

I hope this will assist you in expediting this claim as we are currently without any income and have ongoing financial responsibilities.

On a separate note, as you know my wife suffered a heart attack during the fire and was hospitalized. I know we have liability coverage for various items. There are charges for medical coverage not covered by our health insurance as we have a \$2,000 deductible. What coverage, if any, do we have?

Sincerely,

Harold T. Beck

## Rainbow Inn - Inventory

Quantity	Item	Price ea.	Total
1	Table lamp	50.00	50.00
1	Console table, wood	199.00	199.00
7	Table tops, round, 48" diameter	61.50	430.50
4	Table tops, round, 36" diameter	33.10	132.40
13	Table tops, square, 30" x 30"	26.90	349.70
24	Table bases	25.90	621.60
67	Chairs, vinyl, square back, padded seat/back	25.00	1,675.00
1	3-drawer chest, wood	299.00	299.00
2	High chairs	60.00	120.00
2	Booster seats	17.90	35.80
1	Buffet 60" wide, walnut, antique	250.00	250.00
2	Deer mounts	300.00	600.00
8	Valances	30.00	240.00
4	Lace drapery panels, 80" length	20.00	80.00
2	Lace drapery panels, 63" length	20.00	40.00
1	Utility bus cart on casters, metal	115.50	115.50
1	Buff 3-station coffee maker	297.00	297.00
1	Metal decorative wall shelf w/matching candle sconces, green	100.00	100.00
1	Mirror	99.00	99.00
1	Ceiling fan, 4 paddles	79.00	79.00
1	8' x 10' Oriental area rug	375.00	375.00
1	7' x 9' Oval braided area rug	269.00	269.00
40	Table cloths, vinyl	6.00	240.00
33	Spoons, blue acrylic handle	1.00	33.00
22	Knives, blue acrylic handle	1.00	22.00
32	Forks, blue acrylic handle	1.00	32.00
50	Champagne glasses, plastic, disposable	0.50	25.00
30	Candles	0.50	15.00
15	Salt/Pepper Shaker pairs, glass at \$68/2 dz.	2.84	42.60
17	Sugar packet holders	2.30	39.10
30	Glass ashtrays at \$47.25/3 dz.	1.32	39.60
17	Candle holders, glass	2.00	34.00
30	Coffee mugs, glass, brown at \$42.50/3 dz.	1.18	35.40
70	Soup cups at \$24.75/3 dz.	0.69	48.30
53	Saucers at \$20.25/3 dz.	0.57	30.21
43	Menu covers, vinyl at \$33.00/dz.	2.75	118.25
4	Reserved Table Signs	1.70	6.80
2	Flatware Organizing boxes	8.50	17.00
60	Knives at \$8.80/dz.	0.74	44.00
60	Soup Spoons at \$5.80/dz	0.49	29.00
60	Dinner forks at \$5.20/dz	0.44	26.00
60	Salad forks at \$5.80/dz.	0.49	29.00
88	Teaspoons at \$3.20/dz.	0.27	23.76
16	Seafood forks at \$4.50/4	1.13	18.08
25	Serving spoons at \$5.80/dz	0.49	12.25
36	Steak knives at \$21.40/dz	1.79	64.20
6	Seafood crackers	1.90	11.40
2	Wall brass decorative plates round 16" diam.	45.00	90.00
1	Wreath, grapevine, large w/silk flowers	75.00	75.00
1	Antique metal milk pail	85.00	85.00
1	Antique cast iron press on 3 legs	55.00	55.00
1	Garbage can w/step-on lid	19.99	19.99

1	Antique cast iron stove	195.00	195.00
2	Oven mitts, pair	8.70	17.40
1	Portion scales	44.00	44.00
4	Thermometers, refrigerator/freezer	5.50	22.00
1	Garbage can, plastic	9.95	9.95
1	Toaster, stainless steel, 2-slice	90.50	90.50
2	Chafer pan, stainless steel	53.50	107.00
1	Frying pan, electric	45.00	45.00
12	Platter baskets, plastic at 7.75/dz.	0.65	7.75
17	Bread baskets, wicker at \$30.25/dz.	2.52	42.84
26	Sherbet/ice cream glasses at \$32.00/1 dz.	2.67	69.42
46	Salad bowls, 6" diam., wood at \$7.50/dz.	0.63	28.98
1	Salad bowl, 18" diam., wood	8.65	8.65
3	Cruet set w/holder	23.75	71.25
2	Cutting board, propylene, 12 x 18"	15.35	30.70
1	Cutting board, propylene, large	20.75	20.75
1	Funnel, plastic, 3 in set	2.85	2.85
1	Ice scoop, metal, large	5.40	5.40
6	Teapots, individual, stainless steel	7.75	46.50
6	Cream pitchers, stainless steel	3.00	18.00
1	Grater, stainless steel	10.75	10.75
4	Cheese shaker, glass	1.00	4.00
1	French fry cutter	55.00	55.00
2	Microwave	135.00	270.00
1	Food slicer, processor	125.00	125.00
1	Hand washing sink w/faucet, stainless steel	193.00	193.00
1	3-bin kitchen sink w/faucet and drainboard	862.00	862.00
1	Faucet for sink, 14" nozzle, splash mount	109.00	109.00
2	Freezer, chest	390.00	780.00
1	Freezer, upright	425.00	425.00
1	Refrigerator w/freezer top	875.00	875.00
1	2' x 4' work table, stainless steel w/shelf, on casters	361.00	361.00
1	Fryer, electric, countertop 30 lbs. capacity, 2 basket, Hobart	1,098.00	1,098.00
1	14" Meat Slicer, electric, manual feed	1,440.00	1,440.00
1	Range, 60" Garland, w/double oven, grill top, broiler, 6 burners	3,880.00	3,880.00
1	Steam Hot Food Table, Gas, 4 wells	954.00	954.00
2	Work table, 7" length, w/shelf, stainless steel	583.00	583.00
1	Colander, stainless steel	10.30	20.60
1	Skimmer, stainless steel	3.20	3.20
1	Strainer, stainless steel	8.20	8.20
5	Cast iron frypans, 2-14", 2-12", 1-8"	50.00	250.00
2	Saucepan, 4 1/2 qt. Stainless steel	42.00	84.00
1	Saucepan, 2 1/2 qt. Stainless steel	32.00	32.00
1	Meat tenderizer, stainless steel	7.20	7.20
2	Pastry brushes	4.30	8.60
1	Can opener w/base	78.50	78.50
1	Bottle opener	2.50	2.50
2	Meat forks	5.95	11.90
2	Meat thermometers	8.95	17.90
4	Meat skewers, stainless steel, 12"	6.90	27.60
2	Knives, 12" stainless steel, Dexter-Russell	28.25	56.50
3	Knives, 10" carving	25.50	76.50
2	Potato masher, stainless steel	6.80	13.60
2	Tongs, 15" stainless steel	6.80	13.60
2	Wire whips, 10"	5.80	11.60
1	Pizza cutter, wood handle	6.85	6.85

2		Vegetable peelers	2.55	5.10
1		Garlic press	4.25	4.25
6		Spatulas, stainless steel, wood handles	8.50	51.00
1		Knife, wavy edge	18.85	18.85
4		Spoons, 18" long, stainless steel	3.70	14.80
5		Ladles, various sizes	4.20	21.00
5		Mixing spoons, 12" long handle	2.70	13.50
2		Tongs, utility	2.35	4.70
1		Meat forks	8.85	8.85
13		Paring knives	2.35	30.55
10		Dispenser, squeeze out with lid	8.75	87.50
1		Utensil holder, 4 compartment, stainless steel	30.00	30.00
12		Platters oval 10" long at \$51.00/2 dz.	2.13	25.56
5	Steak markers, 1 bx rare, med.rare, med., med.rare, well done		8.40	42.00
20		Steak platters, 2-piece, stainless steel insert	17.50	350.00
15		Fan-shaped seafood platters	1.50	22.50
62		Dinner plates at \$41.50/2dz.	1.73	107.26
60		Luncheon plates, etched clear glass at \$81.70/3 dz.	2.27	136.20
30		Salad plates at \$24.25/3 dz.	0.68	20.40
24		Souffle casserole dishes, 6" diam., at \$165 for 2 dz.	6.88	165.00
1		Utility cart, 3 shelves, casters, metal	115.50	115.50
10		Roasting pans w/lids, various sizes	300.00	300.00
1		Mixing bowl set, stainless steel	19.95	19.95
2		Crock pots, electric	30.00	60.00
2		Stock pot, 12 qt., stainless steel w/lid	88.50	177.00
1		Stock pot, 20 qt., stainless steel w/lid	138.00	138.00
4		Server aprons	6.50	26.00
5		Aprons, bib, white	5.90	29.50
1		Bunn Coffee maker, single pot	99.00	99.00
3		Baking sheets, large	10.95	32.85
24		Juice glasses	1.00	24.00
10		Serving trays, various sizes	10.00	100.00
1		Smoking floor urn, metal, chrome trim	34.95	34.95
2		Waste baskets, plastic, step-on lids	15.00	30.00
2		Wall mirrors	30.00	60.00
2		Men & Woman restroom signs	3.85	7.70
1		Bulletin board 24" x 36"	8.00	8.00
1		Adding Machine	40.00	40.00
1	Various office supplies (pens, pencils, paper, stapler, tape, etc.)		50.00	50.00
1		Guest Checks carbonless duplicate 2-part, case	49.50	49.50
1		Check spindle, chrome	4.50	4.50
1		Letters for outdoor sign	49.50	49.50
1		Write-on sign, lighted	92.50	92.50
1		Mirror, 3' x 4'	125.00	125.00
1		Air conditioner	895.00	895.00
3		Color televisions	400.00	1,200.00
1	Decorative wood/metal baker rack w/pine middle shelf		199.99	199.00
25		Bar stools, black vinyl w/swivel base	60.00	1,500.00
1		Coat rack on casters, metal, 60"	175.00	175.00
1		Ice Maker, undercounter, Kold Draft	1,495.00	1,495.00
1		1-bin Ice sink w/5-slot bottle rack on front	435.00	435.00
1		3-bin Bar sink with 2-drainboards	604.00	604.00
2		5-slot bottle racks for front of sink	23.75	47.50
1		Blender, Hamilton Beach	86.50	86.50
2		Drink Shaker, stainless steel	8.85	17.70
1		Bottle opener, wall mounted	5.95	5.95

12	Measured pours with collard and dust cover	4.75	57.00
36	Wine Glasses at \$68.30/2dz.	2.85	102.60
12	Martini glasses	2.05	24.60
40	Highball glasses on pedestal at \$68.30/2dz.	2.85	114.00
30	Shot glasses at \$23.95/2 dz.	1.00	30.00
1	Jigger, stainless steel	1.50	1.50
36	Old Fashioned glasses at \$34.30/3 dz.	0.96	34.30
6	Draft beer polar pitchers	18.95	113.70
24	Irish coffee mugs, glass on pedestal at \$72/2dz.	3.00	72.00
10	Pedestal drink glasses, colored, plastic	2.00	20.00
36	Beverage glasses at \$51.15/3 dz.	51.15	51.15
1	Bar guide mixing book	9.95	9.95
1	Cutting board, 6 x 8"	3.70	3.70
24	Bar towels	1.00	24.00
1	Frill picks for drinks, box	3.50	3.50
2	Drink straws	4.25	8.50
2	Bar napkin/straw holders	6.40	12.80
6	Salt/Pepper shakers pair	2.00	12.00
1	Undercounter freezer	195.00	195.00
36	Beer mugs w/handles at \$33.60/1dz.	2.80	100.80
1	Beer undercounter cooler, 8' long, 4-sliding front doors	1,655.00	1,655.00
2	Wall clock	20.00	40.00
1	Ice Scoop, stainless steel	4.05	4.05
6	Acrylic sign holders, 5"	2.25	30.38
1	4-pull Dome Draft System, brass	336.00	336.00
1	Dump tray, brass, for draft system	118.50	118.50
3	Bar trays, cork liner, 2 round, 1 oblong	6.45	19.35
1	Coyote mount	350.00	350.00
1	Cassette Tape Player,	99.00	99.00
1	AM/FM Receiver Yamaha Digital with multiple effects	785.00	785.00
15	Ash trays, plastic, black 7 1/2" diam. At \$19.65/dz.	1.64	24.60
1	Wood utility cart on casters	100.00	100.00
1	Credit card machine leased	5,100.00	5,100.00
1	Cash register	595.00	595.00
1	Box cash register tape	25.00	25.00
1	Satellite TV receiver 4DTV	1,299.00	1,299.00
1	Satellite TV receiver and Digital Dish	179.00	179.00
4	Neon bar window signs	250.00	1,000.00
1	Overhead pool table light	190.00	190.00
1	Garbage can	9.95	9.95
18	Wall plaques, football helmets	35.00	630.00
1	John Wayne 9 Pictures in clouds disguised framed	285.00	285.00
1	John Wayne on horse framed	90.00	90.00
1	John Wayne with rifle framed	125.00	125.00
1	John Wayne Green Berets framed	250.00	250.00
1	John Wayne Searchers framed	380.00	380.00
1	John Wayne Big Duke framed	120.00	120.00
1	John Wayne True Grit framed	260.00	260.00
1	John Wayne Charcoal Drawing framed	230.00	230.00
1	John Wayne on horse with rifle in hand framed	145.00	145.00
1	John Wayne with cowboy hat framed	90.00	90.00
1	John Wayne in desert standing with rifle framed	355.00	355.00
1	Last Stand (wildlife) framed	85.00	85.00
1	Super Bowl Collage framed	70.00	70.00
1	US Army Rangers framed	55.00	55.00
1	Richard Nixon autographed portrait framed	35.00	35.00

1	Pittsburgh Steelers City of Champions framed	45.00	45.00
4	Floor mats 4' x 6'	32.50	130.00
2	Floor mats 2' x 3'	12.75	25.50
3	Overflow pipes for bar sink 11" H	3.95	11.85
2	Bottles of Sanitizer tablets	12.25	24.50
1	Triplehead bottle brush	22.50	22.50
5	Rubbermaid bar serving mats	6.30	31.50
1	Metal shelving unit, 5 shelves	55.00	55.00
1	Burglar and fire alarm system, Visionic	1,295.00	1,295.00
1	Halon fire suppression system	2,100.00	2,100.00
3	Emergency Exit Light	46.80	140.40
1	Trane 100,000 BTU Forced Air Gas (Propane) Furnace	3,500.00	3500.00
2	Standard door closure	67.00	134.00
2	Fire extinguishers	43.00	86.00
1	Mop bucket w/wringer	51.50	51.50
1	Mop handle, metal	9.10	9.10
3	Mop heads	5.30	15.90
2	Cleaning buckets	6.10	12.20
1	Push broom 18" wide	18.65	18.65
2	Dust pans	2.40	4.80
2	Brooms	8.30	16.60
1	Degreaser cleaner, gallon	19.50	19.50
1	Plunger	8.50	8.50
2	Food film 18" x 1000'	10.90	21.80
1	Aluminum foil roll, 18" x 500'	37.50	37.50
1	Box aluminum foil baked potato wraps	15.00	15.00
1	Box food portion bags, 1000 count	15.00	15.00
1	To Go containers 9" x 9", case	23.75	23.75
1	Trash bags heavy duty 33 gal, case	31.50	31.50
1	Toilet tissue, case	64.95	64.95
1	Paper placemats, case	20.00	20.00
1	Paper dinner napkins, case	35.00	35.00
1	Cocktail napkins, case	19.95	19.95
1	Souffle cups plastic 1 oz.	30.00	30.00
1	Souffle cups plastic 2 oz.	30.00	30.00
1	Plastic forks, 1 box	14.49	14.49
1	Plastic spoons, 1 box	14.49	14.49
1	Plastic knives, 1 box	14.49	14.49
1	Paper towels, 1 case	30.00	30.00
1	Styrofoam drinking cups w/lids	30.00	30.00
2	Shelving units, 2' x 4', high-grade polypropylene	64.00	128.00
2	Floor fans, electric	25.00	50.00
1	Hand cart, steel	56.00	56.00
3	Outdoor tables w/umbrellas and 4 chairs each	195.00	585.00
1	Torpedo Heater	395.00	395.00
1	Kerosene portable heater	49.95	49.95
1	Kerosene heater	99.00	99.00
5	Table tops, round	61.50	307.50
1	Work bench, wood, 8' with shelf	295.00	295.00
1	Walk-in cooler 6' x 12' w/compressor	4,925.00	4,925.00
1	Compressor for draft system	1,200.00	1,200.00
1	Antique cash register	295.00	295.00
1	Wood bar, L-shaped portable	595.00	595.00
1	Water softener system	3,900.00	3,900.00
1	Holiday decorations, including 2 artificial Xmas trees	500.00	500.00
2	Bundles of ceiling tiles	295.00	590.00

	Tools (Various)	350.00	350.00
	Outside lawn and grounds tools (Various)	500.00	500.00
1	Furnace Trane Propane Forced Air	2,995.00	2,995.00
4	Electric baseboard heaters, 8' L each	495.00	4,980.00
1	Soda drink system, gun with 8 selections, w/compressor	1,000.00	1,000.00
1	Books, 14/cs	24.95	349.30
1	Books, 20/cs	14.99	299.80
1	Vacuum cleaner	200.00	200.00

79,957.50



## Rainbow Inn Liquor Inventory

Quantity	Item	each price	total
1	Old Grand Dad 750 ML	17.49	17.49
2	Jim Beam 1.75 L	25.49	34.98
1	Maker's Mark 750 ML	21.99	21.99
2	Wild Turkey 750 ML	18.99	37.98
2	Seagram's Seven 1.75 L	18.99	37.98
1	Seagram's Seven 750 ML	10.49	10.49
2	Jack Daniel's 1.75 L	36.99	73.98
2	Black Velvet 1.75 L	18.79	37.58
3	Canadian Club 1.75 L	25.49	76.47
1	Crown Royal 750 ML	20.99	20.99
2	Seagram's VO 1.75 L	26.49	52.98
1	Windsor Canadian 750 ML	9.99	9.99
1	Black Bush 750 ML	32.99	32.99
1	Jameson 750 ML	31.99	31.99
1	Bankers Club Scotch	17.49	17.49
1	Chivas Regal 750 ML	28.99	28.99
1	Cutty Sark 750 ML	19.99	19.99
1	Dewar's 1.75 L	41.99	41.99
1	Dewar's 750 ML	23.99	23.99
1	J & B Rare 750 ML	23.99	23.99
2	Johnnie Walker Black 750 ML	29.99	59.98
2	Johnnie Walker Red 750 ML	23.99	47.98
2	Banker's Club Gin 1.75 ML	11.99	23.98
1	Banker's Club Gin 1.00 L	7.29	7.29
2	Bafferts 750 ML	21.99	43.98
1	Beefeater 1.75 ML	34.99	34.99
2	Bombay 750 ML	17.99	35.98
2	Tanqueray 1.75 ML	36.99	73.98
2	Banker's Club Vodka 1.75 ML	11.29	22.58
1	Banker's Club Vodka 1.00 L	7.19	7.19
2	Gordon's 750 ML	9.99	19.98
2	Sky 750 ML	14.99	29.98
2	Smirnoff 750 ML	13.99	27.98
2	Absolut 1.75 L	32.99	65.98
1	Grey Goose 750 L	24.99	24.99
2	Stolichnaya 1.75 L	32.99	65.98
1	Christian Brothers 1.75L	19.99	19.99
1	Coronet VSQ 1.75 L	18.99	18.99
1	Hennessy VS 750 ML	38.89	38.89
2	Bicardi Gold 750 ML	11.49	22.98
2	Bicardi Light 1.75 ML	21.99	43.98
1	Bicardi 151 750 ML	17.49	17.49
2	Captain's Morgan Spiced 1.75 L	26.99	53.98
3	Jose Cuervo 750 ML	17.99	53.97
1	Mescal 750 ML	19.99	19.99
2	DeKuyper Blueberry 750 ML	10.49	20.98
2	DeKuyper ButterShots 750 ML	10.49	20.98
2	DeKuyper Hot Damn 750 ML	10.49	20.98
3	DeKuyper Peachtree 1.75 L	18.99	56.97
1	Jacquins Peppermint 750 ML	8.49	8.49



1	DeKuyper Raspberry 750 ML	10.49	10.49
1	DeKuyper Root Beer 750 ML	10.49	10.49
2	Blue Hawaiian Maui 750 ML	9.49	18.98
2	DeKuyper Wilderberry 750 ML	10.49	20.98
1	DiAmore Amaretto 750 ML	11.99	11.99
2	Jacquin's Blackberry Brandy 750 ML	9.29	18.58
1	Jacquin's Crème De Almond 750 ML	8.99	8.99
1	Jacquin's Crème De Banana 750 ML	8.99	8.99
1	Jacquin's Crème De Cacao 750 ML	7.99	7.99
2	Jacquin's Crème De Menthe Green 750 ML	7.99	15.98
1	Jacquin's Crème De Menthe White 750 ML	7.99	7.99
2	Jacquin's Ginger Brandy 750 ML	9.29	18.58
1	Jacquin's Sloe Gin 750 ML	7.99	7.99
2	Arrow Triple Sec 1.00 L	6.99	13.98
1	DiSaronno Amaretto 750 ML	18.99	18.99
2	Kahlua 750 ML	18.99	37.98
2	Baileys Original Irish 750 ML	19.99	39.98
2	Devonshire Irish 750 ML	12.49	24.98
1	Romana Sambuca 750 ML	19.99	19.99
1	DeKuyper Hazelnut 750 ML	10.99	10.99
2	Southern Comfort 750 ML	15.49	30.98
1	Chambord 750 ML	23.89	23.89
1	Drambuie 750 ML	29.99	29.99
1	Galliano 750 ML	27.99	27.99
1	Grand Mariner 750 ML	30.99	30.99
2	Rumple Minze Peppermint 750 ML	18.99	37.98
2	Yukon Jack 750 ML	16.49	32.98
1	Angostura Bitters	9.19	9.19
2	Riunite Bianco 3.00 L	13.99	27.98
2	Riunite Lambrusco 3.00 L	13.99	27.98
2	Gallo Vermouth 750 ML Dry	4.99	9.98
2	Gallo Vermouth 750 ML Sweet	4.99	9.98
2	Harvey's Bristol Cream 750 ML	14.99	29.98
2	Gallo Livingston Cellars Burgundy 3.00 L	9.99	19.98
2	Almaden Cabernet 3.00 L	14.99	29.98

GRAND TOTAL

2,380.56

## Rainbow Inn Food & Beer Inventory

Quantity	Item	Price ea.	Total
2	Canisters CO2, plus deposit	47.00	94.00
10	Canisters of soda pop	15.00	150.00
4	Cranberry Juice	4.25	17.00
4	Orange Juice	4.25	17.00
4	Tomato Juice	3.59	14.36
4	Pineapple Juice	3.85	15.40
4	Grapefruit Juice	3.85	15.40
3	Cocktail Mixer, gallon case of four	19.00	57.00
4	Bloody Mary Mixer, gallon case of four	21.00	84.00
	Condiments for bar	25.00	25.00
1	Assortment Troyer Farms Chips, Snacks	30.00	30.00
30	Ice cubes, bagged	30.00	30.00
12	Catsup	1.59	19.08
6	Mustard	1.59	9.54
6	Relish	2.49	14.94
2	Pickle slices, gal.	8.29	16.58
4	Sliced cheese, individual wrapped American	4.89	19.56
2	Mayonnaise	3.69	7.38
2	Lettuce	1.50	3.00
6	Tomato	1.59	9.54
1	Onions, bag	7.00	7.00
4	Hamburgers, case	15.79	63.16
8	Hotdogs	3.39	27.12
10	Hamburger Rolls	1.50	15.00
10	Hotdog Rolls	1.50	15.00
3	Chili	24.70	74.10
2	Vegetable soup	22.80	43.60
1	Bacon, case frozen	23.40	23.40
2	Onion Rings, case	18.50	37.00
2	French Fries, case	22.97	45.94
2	Chicken Breast, case	27.40	54.80
4	Chicken Tenders case	21.00	84.00
2	Deep-fried zucchini, mushroom, cauliflower	18.00	36.00
4	Prime Rib trimmed rib off	74.00	296.00
2	Chicken Wings, case	45.75	91.50
2	Cheese Sticks	31.89	63.78
1	Red Hot sauce, gallon	6.46	6.46
2	Green Olives	1.87	3.74
2	Black Olives	1.87	3.74
8	Crushed Tomatoes	1.49	11.92
2	Coffee	5.00	10.00
1	Coffee filters	2.00	2.00
2	Sugar packets, bx	1.95	3.90
2	Creamer, coffee mate	4.85	9.70
3	Saltine crackers, bx	3.45	10.35
2	Frying Oil, 5 lbs.	15.89	31.78
1	Jalapeno poppers	17.47	17.47
1	Pizza Logs	31.49	31.49
1	Ranch dressing, gal.	10.69	10.69
1	Blue Cheese dressing, gal.	11.29	11.29

2	Salsa	4.75	9.50
2	Margarine	1.25	2.50
1	Milk	3.00	3.00
3	Marinara Sauce	2.00	6.00
4	Iron City, case	14.40	57.60
6	Genesee Light, case	12.00	72.00
6	Labatt's Blue, case	16.75	100.60
2	O'Douls, case	13.35	26.70
10	Bud, case	12.40	124.00
10	Bud Lite, case	12.40	124.00
10	Mich Lite, case	13.00	130.00
10	Bush, case	10.35	100.35
10	Bush Lite, case	10.35	100.35
10	Coors Lite, case	15.85	158.50
6	Straub, case	13.00	78.00
4	Rolling Rock, case	15.75	63.00
10	Miller, case	13.35	133.50
10	Miller Lite, case	15.85	133.50
6	Miller Genuine, case	15.85	95.10
2	Draft Bud, 1/2 barrel plus deposit	63.00	126.00
2	Draft Mich Ultra Lite, 1/2 barrel plus deposit	63.00	126.00
2	Draft Yuengling, 1/2 barrel plus deposit	63.00	126.00
2	Draft Bud Lite, 1/2 barrel plus deposit	63.00	126.00

TOTAL:

3,812.91

February 21, 2004

Mr. Paul Smith, Jr.  
Safeco Insurance Co  
P.O. Box 5373  
Poland, Ohio 44514

Re: Claim Number 521474522015

Dear Mr. Smith:

We are in receipt of your letter of February 11, 2004 and want to take this opportunity to clarify a clear misunderstanding on your part. Considering we have had to transmit and send you the inventory of the Rainbow Inn five times (four by Email and one by snail mail) until you finally acknowledged receipt, I wonder if you were ever serious about settling this claim.

To begin with I draw your attention to the six page inventory attached to this letter (sixth time I've sent it to you.) At the top of page five directly below the Visonic Burglar and fire alarm system is a Halon fire suppression system, the same system that was in place in the kitchen when your company underwrote the coverage on the Rainbow Inn and the same system that was fully operational at the time of the fire on December 5, 2003.

I did not indicate that this system was removed in 1996 or 1997. I stated that on or about that time new Halon systems became unavailable because of their environmental impact. I also indicated the Halon tanks (two of them) were replaced on or about December 2001 but I didn't know if future replacements would be available but at the time of the fire the tanks were fully charged.

When your company originally underwrote the Rainbow Inn special note was taken that the Halon Fire Suppression System in place protected not only the grille under the hood, but the entire kitchen area. It was activated by any one of four heat detectors based on rate of rise and/or a manual activation next to the grille. This was accepted in lieu of an Ansul System (Brand name system) and it was also accepted as I was a licensed Fire and Sprinkler Installer in the State of Texas and a licensed Fire Alarm Inspector, capable of inspecting and certifying these systems. Nothing has materially changed since the original underwriting date and on at least four separate occasions loss prevention specialists from your company have physically inspected the premises including the fire suppression system. The most your company has ever questioned or complained about was the substance the roof was made of (Question), the dumpster and the ongoing problem with bears (Complaint), and the east wall needed painted (Complaint). No mention has ever been made regarding the fire protection in the kitchen and we were to assume all was well.

Furthermore and of special importance, the fire that destroyed the Rainbow Inn, as far as I know, is to have originated outside on the southeast corner of the building when the business

was closed. The kitchen was not involve in the origin of the fire and in fact was the last part of the building to be consumed, no doubt because the Halon Fire Suppression System did its job.

As you know my wife suffered a heart attack during the fire and was hospitalized. I have questioned you regarding the liability coverage for medical coverage not covered by our health insurance as we have a \$2,000 deductible. To date you have yet to address this concern. What coverage, if any, do we have?

We are anxious to get this claim settled so we can rebuild. After my contract for the radio show comes to an end I intend to return to Pennsylvania and the Rainbow Inn will be our sole source of income unless I can sell another book. Therefore time is of the essence if we are to be open around June 1<sup>st</sup>, which is our goal.

Thank you very much for your attention to this matter.

Sincerely,

Harold T. Beck

March 24, 2004

Mr. Paul Smith, Jr.  
Safeco Insurance Co  
P.O. Box 5373  
Poland, Ohio 44514

Re: Claim Number 521474522015

Dear Mr. Smith:

On February 21, 2004 I wrote to you regarding your letter of February 11, 2004 in which I clarified a misunderstanding on your part. To date I have yet to hear from you and am enclosing a copy of that letter and the inventories I referred to in that letter in case it has been lost.

I would appreciate your consideration of claim. We feel you have denied it unjustly.

As I stated in the letter of February 21, 2004, we are anxious to get this claim settled so we can rebuild. My radio show ended on March 16<sup>th</sup> and as I stated we intend to return to Pennsylvania and the Rainbow Inn will be our sole source of income unless I can sell another book.

Time is of the essence and we would appreciate some communication from you so we can take further steps if necessary.

Thank you very much for your attention to this matter.

Sincerely,

Harold T. Beck

April 28, 2004

Mr. Paul Smith, Jr.  
Safeco Insurance Co  
P.O. Box 5373  
Poland, Ohio 44514

Re: Claim Number 521474522015

Dear Mr. Smith:

This is the third letter I have sent to you regarding the above referenced claim representing the fire loss of the Rainbow Inn on December 5, 2003.

I have written to you one February 21, 2004 and I followed up on March 24, 2004. This is my third letter and I have yet to hear from you other than the letter you sent on February 11, 2004.

My wife and I have been patient. We want to go back into business but as long as you ignore us and refuse to deal with us in a business like manner we are being severely financially damaged. We don't understand why you are treating us like this. We were good customers and paid our premiums on a timely basis and never were a problem. This is not only a sorry commentary on you and your company, but on the local agency that represented us and found you to underwrite the coverage. We would appreciate your consideration of claim and we would still like to settle this amicably. We feel you have denied it unjustly.

As I stated in the letter of February 21, 2004, and again on March 24, 2004, we are anxious to get this claim settled so we can rebuild. My radio show ended on March 16<sup>th</sup> and we are about to return to Pennsylvania. The Rainbow Inn will be our sole source of income unless I can sell another book and those prospects don't look all that great. We do not desire to be forced to seek a legal remedy. That is why we have been patient to this point. However, our patience is running short and unless we hear from you within thirty (30) days, we will have no recourse but to retain legal council and pursue a remedy to this situation.

Sincerely,

Harold T. Beck

*Harold Thomas Beck PO Box 362 Lewis Run, PA 16738*

June 2, 2004

Mr. Paul Ridley  
Sundahl & Company Insurance  
723 East Main Street  
Bradford, PA 16701

Dear Mr. Ridley:

On April 22, 2004 I phoned you at Sundahl & Company Insurance regarding the fire claim at The Rainbow Inn, Marshburg, PA on December 5, 2004. I left a message and asked you return my call. You did not.

Again on May 4, 2004 I phoned you once more and left a message asking you please return my call. Again you did not.

Finally on May 20, 2004 I was able to make contact with you via telephone and asked if I could not come into your office and meet with you regarding the fire loss and claim. You did not wish to meet until you spoke with Mr. Paul Smith of SAFECO Insurance Company and said after you spoke with him you would get back in touch with me. To date you have not chosen to make contact with me.

Last week, May 24 – 28 I left daily messages for you all of which have been ignored.

It is very obvious you have adopted the same attitude regarding your responsibility for settlement of the fire loss as Mr. Smith and SAFECO Insurance Company. For that reason I intend to immediately seek legal representation in this matter and pursue a remedy from not only SAFECO Insurance Company, but Sundahl & Company Insurance and you personally.

Be aware of the fact I intend to put up a sign on my property signifying Sundahl is less than a reputable insurance company and will make it well known not only in the Bradford area, but in other towns where you do business too. Your part in this situation has caused my wife and I serious financial harm and we intend to pursue whatever remedy available to us.

Sincerely,

Harold T. Beck



*Harold Thomas Beck PO Box 362 Lewis Run, PA 16738*

**SENT BY REGISTERED MAIL**

June 10, 2004

Mr. Paul Smith, Jr.  
Safeco Insurance Co  
P.O. Box 5373  
Poland, Ohio 44514

Re: Claim Number 521474522015

Dear Mr. Smith:

This letter is in response to your phone call on Thursday, June 3, 2004.

Thank you for finally communicating with me. It is the first communication from you of any kind since your letter of denial dated February 11, 2004.

As you know, in our brief call, I stated that my letters to you of February 21, 2004; March 24, 2004; and April 28, 2004 have been ignored and unanswered to date. You claim you never received them and have blamed it on "the Post Office". That follows a similar situation regarding our sending you the Rainbow Inn Inventory (included in this package), the Rainbow Inn Food & Beer Inventory (included in this package), and, the Rainbow Inn Liquor Inventory (also included in this package). I am sending this letter including the three inventories Registered Mail to have an official record of your receipt.

Once more I draw your attention to the six page inventory attached to this letter (seventh time I've sent it to you). At the top of page five directly below the Visonic Burglar and fire alarm system is a Halon fire suppression system, the same system that was in place in the kitchen when your company underwrote the coverage on the Rainbow Inn and the same system that was fully operational at the time of the fire on December 5, 2003.

I did not indicate that this system was removed in 1996 or 1997. I stated that on or about that time new Halon systems became unavailable because of their environmental impact. I also indicated the Halon tanks (two of them) were replaced on or about December 2001 but I didn't know if future replacements would be available but at the time of the fire the tanks were fully charged.

I also pointed out that when your company originally underwrote the Rainbow Inn special note was taken that the Halon Fire Suppression System in place protected not only the

grille under the hood, but the entire kitchen area. It was activated by any one of four heat detectors based on rate of rise and/or a manual activation next to the grille. This was accepted in lieu of an Ansul System (Brand name system) and it was also accepted as I was a licensed Fire and Sprinkler Installer in the State of Texas and a licensed Fire Alarm Inspector, capable of inspecting and certifying these systems. Nothing has materially changed since the original underwriting date and on at least four separate occasions loss prevention specialists from your company have physically inspected the premises including the fire suppression system. The most your company has ever questioned or complained about was the substance the roof was made of (Question), the dumpster and the ongoing problem with bears (Complaint), and the east wall needed painted (Complaint). No mention has ever been made regarding the fire protection in the kitchen and we were to assume all was well.

In the prior letters I pointed out that of special importance, the fire that destroyed the Rainbow Inn, as far as I know, is to have originated outside on the southeast corner of the building when the business was closed. The kitchen was not involve in the origin of the fire and in fact was the last part of the building to be consumed, no doubt because the Halon Fire Suppression System did its job.

I also pointed out that as you know my wife suffered a heart attack during the fire and was hospitalized. I have questioned you regarding the liability coverage for medical coverage not covered by our health insurance as we have a \$2,000 deductible. To date you have yet to address this concern. What coverage, if any, do we have?

At this point Mr. Smith my wife and I are suffering as a result of the loss of revenues from the Rainbow Inn. It was our desire to rebuild immediately to take advantage of the summer tourist season. That is why we purchased replacement cost coverage through the Sundahl Agency and your company. Now that is impossible.

We have never taken an adversarial position with your company and have attempted to cooperate in any way we can in the disposition of this claim. However, unless we can settle this claim immediately we will have no choice but to seek legal representation and pursue not only full settlement to the limits of the policy, but in addition pray for recovery for the full cost of representation and subsequent financial damages and hardships suffered as a result of your refusal to make us whole. For that reason I will wait fifteen days (15 days) from your receipt of this letter to take any further action. I trust we can settle this amicably.

Sincerely,

Harold T. Beck

*Harold Thomas Beck PO Box 362 Lewis Run, PA 16738*

**SENT BY REGISTERED MAIL**

July 5, 2004

Mr. Paul Smith, Jr.  
Safeco Insurance Co  
P.O. Box 5373  
Poland, Ohio 44514

Re: Claim Number 521474522015

Dear Mr. Smith:

This letter acknowledges your letter dated June 23, 2004 and received by us on June 30, 2004.

You are correct when you say we have a serious misunderstanding and once more you have not addressed the issues I have placed before you. I have indicated all along we had an operational fire suppression system, just not a name brand Ansul System. This was not concealed and was known to your company as on at least four, if not more, occasions your loss prevention people inspected it and verified it was operational.

As I pointed in all of my letters beginning February 21, 2004; continuing on March 24, 2004; April 28, 2004; and again on June 10, 2004, nothing has materially changed since the original underwriting date.

Again I insist that on at least four separate occasions loss prevention specialists from your company have physically inspected the premises including the fire suppression system, system design documents, and subsequent service and inspection documents. You most certainly have documentation on and records of those inspections and realize the most your company has ever questioned or complained about was the substance the roof was made of (Questioned and subsequently answered), the dumpster and the ongoing problem with bears (Complaint and corrected followed by another inspection), and the east wall needed painted (Complaint and corrected followed by another inspection). No mention or complaint has ever been made regarding the fire protection in the kitchen or the records regarding inspections and service of that system. Absent any direction or complaint we had no choice but to assume all was well.

As you know, all documentation that existed and was always available to your company and required to be kept on the premises was destroyed in the fire. Now we are faced with the problem of reconstructing them after the fact. I will do the best I can but time is of the essence

here and the fact you seem to not be receiving correspondence has placed us in a very bad situation. We have had no income since the fire and because you decided we were not going to rebuild we are missing our prime seasons and suffering financially as well as personally. If this persists I will have no choice but to hold you and your company responsible for our on going damages.

Your letter also did not address my concerns regarding the fact of my wife suffering a heart attack during the fire and being hospitalized. I have questioned you regarding the liability coverage for medical coverage not covered by our health insurance as we have a \$2,000 deductible. To date you have yet to address this concern. What coverage, if any, do we have?

Again I point out we have never taken an adversarial position with your company and have attempted to cooperate in any way we can in the disposition of this claim. However, at this time it appears to me you are stalling in order to place us at a disadvantage in the settlement of this claim.

Once more I point out unless we can settle this claim immediately we will have no choice but to seek legal representation and pursue not only full settlement to the limits of the policy, but in addition pray for recovery for the full cost of representation and subsequent financial damages and hardships suffered as a result of your refusal to make us whole. I respectfully expect an immediate answer. Time is critical here.

Sincerely,

Harold T. Beck